

## **VE for Construction Companies**

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### **Abstract**

Construction VE is performed in the construction stage. After completion of the contract, the contractor voluntarily review the proposal, find alternatives for saving cost, and request owner to change contract. Then the owner review the proposal. If the changed proposal does not change the project's functions of original proposal and caused saving cost, the owner will change the proposal formally. It is called VECP(Value Engineering Change Proposal) in USA. The owner has recommended that submission of VECP because the owner also get benefit from saving cost. However, owner will give incentives to the contractor because the VECP belongs to the contractor's voluntary action. In Korea, owner will give approximately 70% of saving cost to contractor.

Some large construction companies, recognizing the need for construction VE, are strive for the revitalization of construction VE using their own VE training or incentives. However, performing VE has the many difficulties in the construction phase. In addition, performing VE is based on the procedures and techniques than personal experience. In such circumstances, the motivation and system improvement of construction VE are important for enhancement of construction VE. But first, suitable procedure, organizational and training are needed. It caused that construction companies will be able to get the effectiveness of increased technology and saving cost.

The settlement and revitalization of construction VE could be expected to maximize the effectiveness of VE in construction industry and build the better quality of facilities and save cost for owner's satisfaction which is corresponded to objectives of construction companies. Thus, Construction VE should be performed actively for saving cost and improving the competitiveness and quality, to resolve a dilemma of budget reductions and quality improvement in lowest bid and turnkey construction.